

Attendance of the March 16, 2005 GMTF Meeting  
(based on sign-in sheet)

Name	Agency
Adams, Hon. Steve	City of Riverside
Bhuyan, Shefa	Caltrans District 8
Bone, Hon. Lou	City of Tustin
Brown, Hon. Art	City of Buena Park
Capelle, Joanna	SCRRA
Casey, Rose	Caltrans District 7
Cartwright, Kerry	Port of Long Beach
Cheng, Luke	LACMTA
Christian, Connie	LA County Sanitation District
Dale, Hon. Lawrence	City of Barstow
Daniels, Hon. Gene	City of Paramount
Dorland, Kanya	Port of Los Angeles
Flickinger, Hon. Bonnie	City of Moreno Valley
Grubbs, Michele	PMSA
Gurule, Hon. Frank	City of Cudahy
Herrera, Hon. Carol	San Gabriel Valley COG
Hricko, Andrea	USC
Kumar, Vin	Caltrans District 7
Lai, Sue	Port of Los Angeles
Marcus, Richard	OCTA
Maun, Lena	Port of Los Angeles
Neely, Sharon	ACE Construction Authority
Rodriguez, Dilara	Caltrans District 7
Roy, Girish	ACE Construction Authority
San Augustin, Liberty	Caltrans District 7
Schiermeyer, Carl	RCTC
Scott, Ted	Yellow Roadway Corporation
Shiner, John	Union Pacific
Smith, Steve	SANBAG
Staba, Gail	Moffett and Nichol
Tyler, Hon. Sid	City of Pasadena
Wiggins, Stephanie	RCTC
Wilson, A.J.	Pomona Valley Ed. Foundation
SCAG Staff	
Faranesh, Zahi	
Pfeffer, Nancy	
Wong, Philbert	

**GOODS MOVEMENT TASK FORCE MEETING MINUTES  
WEDNESDAY, MARCH 16, 2005**

**1.0 CALL TO ORDER**

Councilmember Art Brown, City of Buena Park, called the meeting to order. A list of those in attendance is included in the minutes. Self introductions were made.

**2.0 PUBLIC COMMENT PERIOD**

There were no public comments.

**3.0 CONSENT CALENDAR**

**Approval Items**

**3.1.1 Approval of the February 16, 2005 Minutes**

Motion to approve the February 16, 2005 Goods Movement Task Force minutes was seconded and accepted with no objections.

**4.0 INFORMATION ITEMS**

**4.1 Presentation on No Net Increase**

Dr. Ralph Appy, Port of Los Angeles, was unable to attend the GMTF. Nancy Pfeffer, SCAG, provided a status report on this item. About two weeks ago, the No Net Increase (NNI) task force approved a set of 65 emissions reductions measures, which are grouped into five categories: ocean going vessels, cargo handling equipment, harbor craft, trucks, and rail. There is also an 'other' category that includes other possible emissions reductions measures. Currently, a legal review and cost analysis of the 65 measures is being conducted.

Mr. Kerry Cartwright, Port of Long Beach, commented that while the Port of Long Beach has not adopted a 'No Net Increase' policy, the Port is implementing and in the process of implementing many of the measures that the Port of Los Angeles has included in its NNI recommendations.

Ms. Lena Maun, Port of Los Angeles, indicated that Mayor Hahn has provided direction to the Port to maintain emissions at 2001 levels and the Port is developing measures to meet that goal.

Staff will attempt to reschedule Dr. Appy to speak at a future GMTF meeting.

#### 4.2 Update on the Port and Modal Elasticity Study

Rob Leachman, Leachman and Associates, presented this item.

In 2004, the San Pedro Bay (SPB) ports (Ports of LA and Long Beach) combined to handle about 62% of west coast container volume. The Pacific Northwest ports handled 18%, and the San Francisco Bay Ports and Port of Vancouver each handled about 10%. In looking at the distribution of containers handled at the SPB ports, about 53.1% were inbound loaded containers, 16.4% were outbound loaded, and 30.5% were empties.

In the second quarter of 2003, there were 70 total weekly vessel strings between Asia and the U.S. Of these, 21% made their first stop on the U.S. East Coast, 52% made their first stop at the SPB ports, and 15% made their last stop at the SPB ports.

In comparing the trade off between shipping from Asia to an east coast vs. a west coast port, transit time favors the west coast ports, but shipping cost favors the east coast ports. When comparing landside costs between the west coast ports, Vancouver has an exchange rate advantage, the Pacific Northwest ports have the lowest port operating costs, and rail rates are a little better from the SPB ports. However, when viewed from the perspective of overall supply chain costs, these differences comprise a relatively small percentage of total costs. Therefore, containers are coming to southern California not because of a landside cost advantage, but because of other factors, including the fact that steamship lines prefer to off-load cargo at the largest local market first.

Looking at the potential for Mexican ports, there is currently no significant volume of Asian goods coming to the US via Manzanillo or Lazaro Cardenas. The primary disadvantages of these ports are that there have been problems with offering reliable rail service and with pilferage.

Hon. Steve Adams, City of Riverside, commented that it could be useful to know what the cost would be to upgrade other west coast ports to allow them to handle future container volume growth versus the cost to improve Southern California's infrastructure to handle that same future container volume growth.

Dr. Leachman added that one of the deliverables of this project is an elasticity model which can analyze the effects of user fees, landside costs, etc., on the diversion of cargo to other ports.

According to this study, short-run discretionary traffic is 48%, long-run discretionary traffic is 76%, and local traffic is 24% at the SPB ports. Short-run discretionary traffic is defined as intact containers going to/from the upper Midwest, neutral east, and southern parts of the U.S. Long-run discretionary traffic is defined as any containers that are not local traffic.

One of the key factors influencing the continued growth of goods movement in Southern California is transloading. Because a 53-foot domestic container has 60% more usable space than a 40-foot marine container, many shippers are transloading goods imported through the ports from 40-foot marine containers into 53-foot domestic containers. When taking into consideration transportation and inventory costs, transloading is cheaper than direct shipping of 40-foot containers for goods with a retail value of \$200 per cubic foot, and is almost as cheap for goods valued at \$40 per cubic foot. Therefore, it is the difference in carrying capacity between a 40-foot marine and 53-foot domestic container that is driving the growth of transloading. This trend is growing, and will continue to grow: in 1998, 14% of domestic containers were 53s; the percentage grew to 48% in 2002, and by 2007 about 85% are expected to be 53s.

In Phase 2 (October 2004 – March 2005), the study team has conducted stakeholder interviews, tallied total transportation costs for different combinations of mode and port choices, and assessed and appended values of transit time, distribution inventories, and other economic factors. Dr. Leachman noted that dray rates have increased about 50% since 2003 across the west coast ports, not just at the SPB ports.

Phase 3 (March – June 2005) will include additional stakeholder interviews, an assessment of industry constraints and intangibles (e.g. contracts and load centering), the funding potential for container fees, elasticities, and the best point of fee application.

Dr. Leachman also noted that the vast majority of goods entering the west coast ports have a declared value of between \$4 and \$60 per cubic foot, which is useful information in determining the elasticity of cargo.

#### 4.3 Goods Movement Program Update

Nancy Pfeffer, SCAG, briefed the GMTF on the following items:

Goods Movement Policy Paper: The paper has been modified to include stronger language in seeking a stronger federal role for goods movement, particularly in the area of financing, because of the national significance of the Ports of LA and Long Beach.

The Business, Transportation, and Housing Agency and California Environmental Protection Agency will be convening the next public meeting on Goods Movement and Ports on March 24 at Caltrans District 7 offices. The purpose of this meeting will be to both unveil a statewide goods movement action plan as well as accept public comment on the action plan.

Executive Stakeholder Roundtable followup – Based on comments received at the Roundtable, staff is working to better define performance measures for projects that reflect both private and public considerations. In addition, SCAG would like to convene the Roundtable group a total of 4 times over the calendar year.

A town hall meeting was held on February 25-26 in Long Beach on the health impacts of goods movement and the ports. At this meeting information was provided as to the health effects of ultrafine particles, which current regulations do not adequately address. Furthermore, the community representatives present at the meeting stated that they would not support additional goods movement infrastructure unless measures are taken to mitigate the community and environmental impacts of goods movement.

Multi-County Goods Movement Action Plan – The RFP for this study has been released. Consultant bids are due by end of March. MTA board approval of the consultant selection will be sought at their May meeting.

## **5.0 STAFF REPORT**

This item was included as part of item 4.3.

## **6.0 COMMENT PERIOD**

Ms. Andrea Hricko, USC, spoke on the town hall meeting which Ms. Pfeffer referred to earlier, which was entitled “Growing Pains: Health and Community Impacts of Goods Movement and the Ports”. One of the outcomes of the town hall meeting were a set of comments in response to the statewide Goods Movement Action Plan. These comments requested that the state slow the

process down to allow for adequate public comment and participation and ensure that community and environmental impacts are a priority.

Ms. Hricko also commented on the proposed expansion of ICTF and the proposed construction of a new near dock facility. She commented that this project could add 500,000 truck trips to the Terminal Island Freeway and as a result negatively impact Hudson Elementary School in Long Beach.

Mr. Steve Smith, SANBAG, updated the committee on the status of the I-15 Corridor Study. To date, five alternatives have been analyzed: no build, Transportation Demand Management, exclusive truck lanes, reversible lanes through the Cajon Pass, and HOV lanes. On April 20, SANBAG staff expect to present a draft recommendation to their management committee. The staff report for this item could be emailed out to the GMTF prior to the April 20 meeting.

Ms. Pfeffer added that SCAG's General Assembly, which is also the 40<sup>th</sup> Anniversary of SCAG, will be held May 4-5 at the Los Angeles Biltmore Hotel. Staff is attempting to convene a goods movement panel consisting of representatives from other parts of the country, including the Bay Area, Seattle, and Chicago to discuss their efforts and experiences in goods movement planning.

## **7.0 NEXT MEETING**

The next regular GMTF meeting will be:

Wednesday, April 20, 2005

9:30am-11:00am

SCAG Offices, San Bernardino Conference Rooms A&B

## **8.0 ADJOURNMENT**

The meeting was adjourned at 11:00am.